REMARKS

The Office Action dated May 23, 2005 rejected Claims 1-22 under 35 U.S.C. § 103(a) as being unpatentable over Keiser et al. (U.S. 6,505,174) in view of Korhammer et al. (U.S. 6,278,982). Claims 1-22 remain pending in the application. New Claims 23-26 have been added. Claims 5 and 6 have been slightly amended for grammatical purposes and not for purposes of patentability. Applicant respectfully requests reconsideration and allowance of Claims 1-26 in the present application.

Interview Summary

Prior to discussing the cited art and the patentability of the claims, the undersigned counsel wishes to thank Examiner Graham for the time and consideration he extended in the telephonic interview conducted October 20, 2006. The interview focused principally on independent Claims 1, 7, and 12. In summary, Examiner Graham and the undersigned counsel discussed how the elements in the pending claims patentably distinguish the present application over the cited art. Examiner Graham agreed to further analyze the art upon receipt of the present response.

Patentability of Claims 1-6, 17, 19, and 23-24

For convenience of examination, independent Claim 1 reads as follows:

> 1. A method of providing a published price for a security, comprising:
> notifying a set of first computer program entities of a proposed price for buying or selling the security,
> determining whether any of the first computer program entities has offered an improved price higher than the proposed price for buying or lower than the proposed price for selling, and
> providing the improved price as the published price,
> wherein the notifying, determining, and providing are performed by a second computer program entity executing on a computer.

The disclosures of Keiser and Korhammer, whether considered individually or in combination, fail to teach or suggest all of the elements recited in Claim 1.

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For example, Keiser fails to teach or suggest the element of "notifying a set of first computer program entities of a proposed price for buying or selling the security," as specifically required by Claim 1. The Office Action referred to the abstract and Col. 2, lines 57-67, and Col. 3, lines 1-28, of Keiser, but these passages merely teach a known process in which a user obtains and executes a securities trade based on a published buy or sell price. This is acknowledged in the background of the present application at page 1, lines 10-11.

Claim 1 notably uses different terms to refer to a "published price" and a "proposed price." A "published price" is not equivalent to a "proposed price." As explicitly stated in new Claim 23, "the published price is executable at a market and the proposed price is not executable at a market." While Keiser may teach a "published price" for buying or selling a security (see "market price", for example, recited in the Abstract), Keiser does not teach a process of "notifying a set of first computer program entities of a proposed price," as claimed.

In one aspect, a "proposed price" may be determined based on a booked order in an order book, as recited in new Claim 24. See also Claim 6, wherein prior to notifying of the proposed price, the method includes comparing the current book price to the most recent trade price and deciding to notify of the proposed price when the current book price is, in fact, different than the most recent trade price.

Returning to Claim 1, Keiser also fails to teach or suggest the elements of "determining whether any of the first computer program entities has offered an improved price higher than the proposed price for buying or lower than the proposed price for selling, and providing the improved price as the published price, wherein the notifying, determining, and providing are performed by a second computer program entity executing on a computer." The Office Action acknowledged the failure of Keiser in this regard and instead relied on the disclosure of Korhammer (in combination with Keiser) to reject Claim 1. However, the disclosure in Korhammer does not overcome the deficiencies of Keiser.

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The Office Action cited Figure 4 of Korhammer and the corresponding description at Col. 8, lines 28-38 and lines 48-67, as well as Col. 9, lines 1-8, but these portions of Korhammer neither teach nor suggest the elements of Claim 1 recited above. In one aspect, Korhammer states that a "* character is used to show the most recently updated quote" as indicated in Figure 4 next to an offer by "Sherwood Securities" to sell at 39 7/16, but this does not signify an "improved price" as recited in Claim 1. The depicted offer to sell at 39 7/16 is indeed higher than the lowest sell price (39 5/16) shown in Figure 4.

In summary, the combination of Keiser and Korhammer (which combination applicant specifically denies) does not support a *prima facie* rejection of Claim 1. Accordingly, Claim 1 should be allowed.

Claims 2-6, 17, and 19 are dependent on Claim 1 and thus are patentable for at least the same reasons presented above with respect to Claim 1. Applicant submits that Claims 2-6, 17, and 19 are further patentable for the additional subject matter they recite, which is not taught or suggested in the prior art. Applicant has considered the passages in Keiser at Col. 6, lines 45-65; Col. 27, lines 10-25; and Col. 11, lines 40-65, and does not find Keiser disclosing what is claimed. Accordingly, Claims 2-6, 17, and 19 should be allowed.

New Claims 23 and 24 are further patentable over the prior art, for their dependence on Claim 1 and for the additional subject matter recited therein. Neither Keiser nor Korhammer (alone or combined) teaches the combination of Claim 1 "wherein the published price is executable at a market and the proposed price is not executable at a market" (Claim 23) or "wherein the proposed price is determined by the second computer program entity based on a booked order in an order book" (Claim 24).

Patentability of Claims 7-11 and 25-26

Independent Claim 7 reads as follows:

7. A method of participating in pricing of a security, comprising:

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receiving a proposed price for the security from a second computer program entity,

determining whether to improve upon the proposed price, and

when the determination is affirmative, offering an improved price to the second computer program entity which can be provided by the second computer program entity as a published price to a third party,

wherein the receiving, determining and offering are performed by a first computer program entity executing on a computer.

The disclosures of Keiser and Korhammer, whether considered individually or in combination, fail to teach or suggest all of the elements recited in Claim 7.

For example, Keiser fails to teach or suggest a method of participating in the pricing of a security that includes the element of "receiving a proposed price for the security from a second computer program entity." As discussed above with respect to Claim 1, a "published price" is not equivalent to a "proposed price." The cited passages in Keiser at Col. 2, lines 57-67, and Col. 3, lines 1-28, merely teach a known process in which a user obtains and executes a securities trade based on a published buy or sell price.

Keiser also fails to teach or suggest the elements of "determining whether to improve upon the proposed price, and when the determination is affirmative, offering an improved price to the second computer program entity which can be provided by the second computer program entity as a published price to a third party, wherein the receiving, determining and offering are performed by a first computer program entity executing on a computer." The Office Action concedes this point and instead relies on the disclosure of Korhammer to overcome the deficiencies of Keiser. However, Korhammer in combination with Keiser still fails to support a *prima facie* rejection of Claim 7.

The Office Action cited Figure 4 of Korhammer and the corresponding description at Col. 8, lines 28-38 and lines 48-67, and Col. 9, lines 1-8, but these portions of Korhammer neither teach nor suggest the elements of Claim 7 recited above. As discussed above, Korhammer's use of the "* character . . . to show the most recently updated quote" does not teach or suggest an "improved price" as claimed in Claim 7.

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Applicant contends that a person skilled in the art would not combine the disclosures of Keiser and Korhammer, but even if they were combined, the disclosures do not teach or suggest all of the elements of Claim 7 and thus cannot support a *prima facie* rejection based on obviousness. Accordingly, Claim 7 should be allowed.

Claims 8-11 are dependent on Claim 7 and thus are patentable for at least the same reasons presented above with respect to Claim 7. Applicant further submits that Claims 8-11 are patentable for the additional subject matter they recite, which is not taught or suggested in Keiser and Korhammer, notwithstanding the cited passages in Keiser at Col. 2, lines 25-35; Col. 3, lines 15-65; Col. 4, lines 5-56; Col. 6, lines 45-55; Col. 21, lines 60-65; and Col. 27, lines 10-25, which do not teach the claimed elements. Accordingly, Claims 8-11 should be allowed.

New Claims 25 and 26 are further patentable over the prior art, for their dependence on Claim 7 and for the additional subject matter they recite. Neither Keiser nor Korhammer (alone or combined) teaches the combination of Claim 7 "wherein the published price is executable at a market and the proposed price is not executable at a market" (Claim 25) or "wherein the proposed price is determined by the second computer program entity based on a booked order in an order book" (Claim 26).

Claims 12-16, 18, and 20-22 are Patentable Over the Prior Art

Independent Claim 12 reads as follows:

> 12. A method of setting a price for a security, comprising:
> maintaining an order book including orders to buy or sell specified quantities of the security at respective prices, the lowest sell order price of the booked orders being the book sell price, the highest buy order price of the booked orders being the book buy price,
> engaging in a price discovery procedure with a set of first computer program entities before responding to a request for a current buy or sell price of the security to produce a discovered price, and
> providing the discovered price as the current buy or sell price, the discovered price being higher than the book buy price or lower than the book sell price,

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wherein the maintaining, engaging and providing are performed by a second computer program entity executing on a computer.

As to Claim 12, a *prima facie* case of obviousness has also not been established. Keiser and Korhammer do not teach each and every element of independent Claim 12.

Notably, Keiser does not teach a method of setting a price for a security that includes, *inter alia*, the elements of "engaging in a price discovery procedure with a set of first computer program entities before responding to a request for a current buy or sell price of the security to produce a discovered price" and "providing the discovered price as the current buy or sell price, the discovered price being higher than the book buy price or lower than the book sell price."

Conceding the foregoing deficiencies in Keiser, the Office Action instead relied on the disclosure of Korhammer, but Korhammer is similarly deficient. Korhammer does not disclose a price discovery procedure, let alone a price discovery procedure that may yield a discovered price that is higher than the book buy price or lower than the book sell price, as claimed in Claim 12. Korhammer's use of the "* character . . . to show the most recently updated quote" does not teach or suggest a "discovered price being higher than the book buy price or lower than the book sell price."

Thus, even if the Keiser and Korhammer disclosures are combinable (which applicant denies), the resultant combination does not disclose all of the elements of Claim 12. As a result, Claim 12 is patentable over the teachings of Keiser and Korhammer and should be allowed.

Claims 13-16, 18 and 20-22 are dependent on Claim 12 and thus are patentable for at least the same reasons presented above with respect to Claim 12. Applicant further submits that Claims 13-16 are patentable for the additional subject matter they recite, which is not taught or suggested by the prior art. The cited passages in Keiser at Col. 2, lines 5-65; Col. 3, lines 15-65; Col. 4, lines 5-56; Col. 6, lines 45-65; and Col. 27, lines 10-25, do not disclose what is claimed. Accordingly, Claims 13-16, 18 and 20-22 should be allowed.

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CONCLUSION

The disclosures of Keiser and Korhammer do not support a *prima facie* rejection of Claims 1-26. Allowance of the application at an early date is requested. Should the Examiner have any questions concerning this matter, he is invited to contact the undersigned counsel at the telephone number provided below.

Respectfully submitted,

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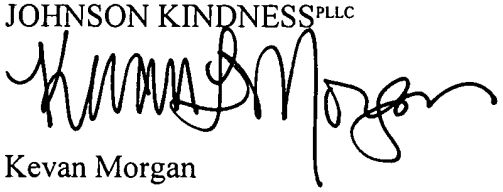

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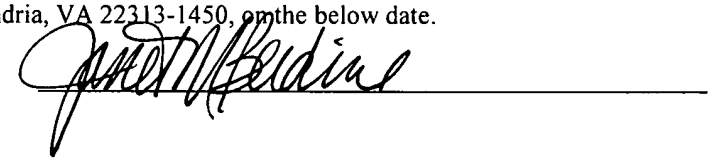
Date: October 23, 2006 

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